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DA 12-1825

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APPLICATION OF VERIZON SELECT SERVICES INC. TO DISCONTINUE DOMESTIC TELECOMMUNICATIONS SERVICES NOT AUTOMATICALLY GRANTED

WC Docket No. 12-298 Comp. Pol. File No. 1055

On September 21, 2012, Verizon Select Services Inc. (VSSI or Applicant), located at One Verizon Way, Basking Ridge, NJ 07920, filed an application with the Federal Communications Commission (FCC or Commission) requesting authority, under section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and section 63.71 of the Commission's rules, 47 C.F.R. § 63.71, to discontinue certain domestic telecommunications services in all fifty states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands (collectively Service Areas). By this Public Notice, the Wireline Competition Bureau announces that VSSI's application to discontinue service will not be automatically granted pursuant to section 63.71.

VSSI indicates that it currently offers TDM-based interstate long distance private line services at DS-3 (44.736 Mbps) bandwidth and below (Private Line services) in the Service Areas. VSSI describes its Private Line services as long distance point-to-point communications channels that offer voice, video and data services over non-switched, non-usage sensitive dedicated facilities. VSSI explains that it provides these services between its Points of Presence, and that the services offer two-way simultaneous transmission at various bandwidths that the customer can select. VSSI states, however, that it plans to discontinue these services because demand is declining as the marketplace moves to next generation technologies that provide higher bandwidths, a wider range of applications and greater value. In its notice to customers, VSSI specifies that the Private Line services it plans to discontinue include the following services as referenced in VSSI's product guide: Long Distance Private Line Service, Long Distance Private Line Service II, Direct Line Service, Digital Private Line Service II and Global Private Line Service. VSSI also specifies that, on or after November 21, 2012 and subject to Commission authorization, it plans to no longer offer its Private Line services to the public subject to certain grandfathering restrictions. VSSI explains that, on or after November 21, 2012, existing customers will be able to retain their service in accordance with the terms and conditions of their existing contracts, but VSSI plans to no longer accept new orders or orders for moves, adds, or changes to existing Private Line services except as required by contract. VSSI further explains that, upon expiration of existing contracts,

automatically effective. Comments Invited on Application of Verizon Select Services Inc. to Discontinue Domestic Telecommunications Services, Public Notice, WC Docket No. 12-298, DA 12-1619 (WCB October 10, 2012). Accordingly, the automatic grant date for Verizon Business's application would have been November 10, 2012.

¹ The application was subsequently received in the Competition Policy Division of the Wireline Competition Bureau on September 26, 2012. By Public Notice dated October 10, 2012, the Commission notified the public that, in accordance with 47 C.F.R. § 63.71(c), Verizon Business's application would be deemed to be automatically granted on the 31st day after the release date of the notice, unless the Commission notifies Verizon that the grant will not be

it will ask customers to transition to alternative services, but it will continue to provide Private Line services on a month-to-month basis as remaining customers transition, until it discontinues the services entirely. VSSI maintains that the public convenience and necessity will not be impaired by the proposed discontinuance because VSSI's affiliates will continue to provide newer, more advanced alternatives like Private IP and Ethernet, and many other providers offer similar services. VSSI indicates that it notified affected customers of the proposed discontinuance by letters sent via first class U.S. mail on September 21, 2012. VSSI states that it is considered non-dominant with respect to the services to be discontinued.

The Commission normally will authorize proposed discontinuances of service unless it is shown that customers or other end users would be unable to receive service or a reasonable substitute from another carrier, or that the public convenience and necessity would be otherwise adversely affected. Where there is question as to whether a service has reasonable substitutes or whether the present or future public convenience and necessity will be adversely affected, the Commission will scrutinize the discontinuance application, consistent with its statutory obligations. We find that the public interest will not be served by automatic grant of VSSI's application. Therefore, by this Public Notice, VSSI is notified that its application to discontinue domestic telecommunications services will not be granted automatically. We emphasize that our removal of VSSI's application from the automatic grant process should not be construed as a final determination on the merits of VSSI's request for authority to discontinue service.

This proceeding is considered a "permit but disclose" proceeding for purposes of the Commission's ex parte rules.⁴ Persons making ex parte presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral ex parte presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the ex parte presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during ex parte meetings are deemed to be written ex parte presentations and must be filed consistent with rule 1.1206(b). In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written ex parte presentations and memoranda summarizing oral ex parte presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission's ex parte rules.

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² See 47 U.S.C. § 214(a); 47 C.F.R. § 63.71; see also Policy and Rules Concerning Rates for Competitive Common Carrier Services and Facilities Authorizations Therefor, First Report and Order, CC Docket No. 79-252, 85 FCC 2d 1, 49 (1980) (Competitive Carrier First Report and Order) ("we have retained the right to delay grant of a discontinuance authorization if we believe an unreasonable degree of customer hardship would result."); Federal Communications Comm'n v. RCA Communications, Inc., 346 U.S. 86, 90 (1953). See, e.g., AT&T Application to Discontinue Interstate Sent-Paid Coin Service Not Automatically Granted, Public Notice, NSD File No. W-P-D-497 (Aug. 3, 2001).

³ See 47 C.F.R. § 63.71(c) ("The application to discontinue . . . shall be automatically granted on the 31st day . . . unless the Commission has notified the applicant that the grant will not be automatically effective.")

⁴ 47 C.F.R. §§ 1.1200 et seq.

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For further information, contact Carmell Weathers, (202) 418-2325 (voice), carmell.weathers@fcc.gov, or Rodney McDonald, (202) 418-7513 (voice), rodney.mcdonald@fcc.gov, of the Competition Policy Division, Wireline Competition Bureau. The tty number is (202) 418-0484. For further information on procedures regarding section 214 please visit http://www.fcc.gov/wcb/cpd/other_adjud.